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Globalization and interdependence

Role of the United Nations in promoting development in the context of globalization and interdependence

Report of the Secretary-General

Summary

A central challenge for a universal development agenda beyond 2015 will be to ensure that globalization benefits everyone, facilitated by an inclusive multilateral system. The global development landscape has been changing rapidly and will continue to do so. As the opportunities, challenges and risks of globalization are highly interrelated, a new, broader development framework is needed to address them.

The present report was prepared in response to General Assembly resolution 66/210. It analyses the interlinkages between globalization, poverty eradication and sustainable development, using the three dimensions of sustainable development as a framing tool. The report affirms that multilateralism needs to be further strengthened, rather than diffused, to effectively address and manage complex and interlinked challenges.

The United Nations serves as an inclusive forum on development and globalization and could further promote multilateral coordination, coherence and accountability in the post-2015 era. In response to the greater need for, and increasing challenges of, policy coordination and coherence, the proper functioning of the institutional framework for the review and follow-up work in the General Assembly and the Economic and Social Council, including the new High-level Political Forum, will be more important than ever. For the United Nations to strengthen its effectiveness and relevance in the new development environment there is need for a longer-term strategic repositioning of its development system. This would involve rethinking, adjusting and strengthening such areas as functions, funding, capacity, partnerships, organizational arrangements and governance.

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I. Introduction

1. Globalization is a powerful force that has influenced global growth and development. Driven by the mobility of goods, services, capital, labour and technological innovation, it has brought a large array of new opportunities and benefits. Yet globalization also has attendant challenges and risks, manifested by imbalances in the distribution of its benefits and costs, recurrent financial and other crises, as well as environmental degradation and resource depletion. To fully realize the opportunities created by globalization and minimize and manage its costs and risks, the world needs to enhance the effectiveness of multilateralism.

2. In recent years, a range of events has changed the character and trend of globalization, reinforcing the need to redirect the course of development. Current economic, social and environmental challenges have been marked by food, fuel, financial and economic shocks, social upheavals, the growing frequency of natural disasters and associated humanitarian crises, climate change, and the prevalence of conflict and political transition in different regions of the world. In addition, international migration is a growing phenomenon with a distinct impact on globalization.

3. At the same time, a transformation has occurred in economic globalization, resulting in a geoeconomic realignment, where several developing countries have made significant progress in poverty reduction and many have established a stronger economic interdependence with each other. This has helped to sustain recent world economic growth, particularly with respect to the proportion of global growth attributable to middle-income countries.

4. Recent global trends have led to calls for more effective multilateral cooperation to ensure that the consequences of globalization do not threaten peoples' livelihoods or the sustainability of the planet. With the growing complexity and challenges of globalization, it is critical that the United Nations address this phenomenon anew.

5. In this rapidly evolving context, the international community is stepping up efforts to formulate a global development agenda beyond 2015. The initial process has involved consultations with a broad range of stakeholders and a first set of discussions among Member States in the newly established Open Working Group on Sustainable Development Goals. And there is an emerging consensus that the post-2015 agenda should place poverty eradication and sustainable development at its centre.

6. The present report presents an analysis of globalization within the context of current discussions on the emerging post-2015 United Nations development agenda. The report examines recent trends and challenges in globalization and their implications for policymaking in relation to the future post-2015 development agenda. It then analyses the need for managing globalization through strengthened and effective multilateralism, and calls for a renewed global partnership for development as essential to tackling key development challenges. Finally, the report addresses the implications of these demands for the role of the United Nations in supporting national development efforts.

II. Recent globalization trends and challenges and policy implications

7. Globalization is transforming the world, and the global currents of change are deeply interconnected and increasingly complex. This includes the emergence of new centres of economic dynamism, accelerating inequality within and across nations, challenges to existing social contracts and transformational technological advances. These and other trends highlight rapid change in an increasingly challenging environment and will have implications for steering the post-2015 development agenda.

8. At the United Nations Conference on Sustainable Development, held in Rio de Janeiro, Brazil, in June 2012, the Heads of State and Government affirmed that poverty eradication is the greatest global challenge facing the world today and an indispensable requirement for sustainable development. They also acknowledged the need to further mainstream sustainable development at all levels, integrating economic, social and environmental aspects and recognizing their interlinkages, so as to achieve sustainable development in all its dimensions.

9. Consistent with this emphasis, the examination of trends and challenges in globalization and their interlinkages with poverty eradication and sustainable development is structured within the framework of the three dimensions of sustainable development.

A. Economic dimensions

10. One of the largest transformations in the global economy is with respect to the proportion of global growth attributable to middle-income countries. During the period from 1991 to 1995, some 75 per cent of total global growth originated in high-income countries. Between 2006 and 2010, as developed countries suffered from the financial crisis and the Great Recession, some 90 per cent of global growth was attributable to middle-income countries (A/67/93-E/2012/79, para. 21).

11. Since 2000, Brazil, the Russian Federation, India and China (the BRIC countries) and emerging market economies as a whole have had higher yearly growth rates than the United States of America and the Group of Seven countries (see figure I). As a result, 2013 is projected to be the first year in which emerging markets collectively account, in purchasing power terms, for more than half of world gross domestic product (GDP)[1] (see figure II). This rise of middle-income countries is reshaping the world geoeconomic landscape, contributing to a rethinking of international development cooperation outside the traditional North-South paradigm in such areas as development aid, trade, public sector investment and private sector capital flows.

[1] See www.imf.org/external/np/pp/eng/2013/060513.pdf.

Figure I
GDP, percentage change on previous year

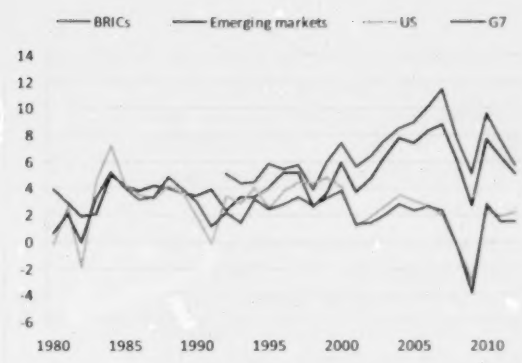
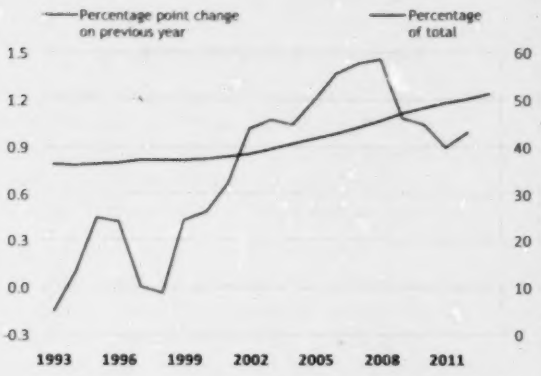


Figure II
Emerging markets' share of global output



Source: International Monetary Fund, World Economic Outlook Database, April 2013.

12. The continued internationalization of production processes, the increased integration in trade, capital flows and movement of labour and the spread of new technologies are also driving a global economic transformation. These trends reflect the further expansion and integration of markets, resulting in an increasingly globalized and interdependent world economy. The 2013 *Human Development Report* underscores the correlation between the increasing integration of the world economy and human development. Virtually all countries that registered high gains in the Human Development Index had relatively high and increasing shares of trade to economic output and traded with a large number of partners.

13. The fast pace of globalization in recent years has been based upon rapid developments in science and technology, including information and communications technologies, which have contributed significantly to the increased use of international production chains. The worldwide spread of such technologies has massively expanded opportunities for the creation, transmission and dissemination of information, which has had a growing significance in most productive activities and their marketization.

14. Yet, not all recent economic trends have been positive. The global employment situation remains a key policy challenge in a large number of economies. Since the 2008 financial crisis, an additional 30 million people have been added to the ranks of the unemployed and nearly 40 million more have stopped looking for work. At the same time, the world's workforce is growing at around 40 million per year. As a result, to keep pace with the growth of the world's labour force, some 470 million new jobs will be needed over the 15-year period from 2016 to 2030.[2] When the new United Nations development agenda is launched in 2015, addressing the global jobs gap should be a top priority. Particular efforts are needed to ensure the employment of younger workers and women.

[2] See ILO concept note #2 for the post-2015 development agenda, 20 May 2013.

15. Globalization of the financial sector is another influential dimension of economic globalization. However, as demonstrated by numerous financial crises over the past decades, this also poses continued risks in terms of financial instability and volatility.

Implications for policymaking

16. Economic globalization has advantages — it can provide development opportunities as well as spread advanced technologies, foreign capital and management experience. Yet, it also poses challenges, particularly with regard to policy coherence and coordination, sharing benefits more equitably and minimizing exposure to external stresses or shocks.

17. Better management of macroeconomic policies and the financial sector are key elements for minimizing the costs and risks of globalization. The realities of economic, financial and trade interdependence would also require stronger policy consistency and coordination, as well as partnerships and institutional capacity-building across countries and regions to build resilience against shocks. The multilateral trade and finance architectures also need to be reassessed to ensure greater coherence and to be able to more effectively support and enable implementation of a future post-2015 development agenda.

18. Economic growth strategies should give immediate priority to dealing with the global employment crisis through generating employment and supporting productive activities to achieve full employment and create decent work. While economic growth is necessary, it is not sufficient for employment generation. Therefore, employment objectives need to be integrated into macroeconomic frameworks, national development plans and poverty reduction strategies.

19. Policies to manage economic globalization should also reflect the challenges of interdependence and the lessons learned. Among these lessons is that an approach is required that aligns the imperatives of global macroeconomic and financial stability within a broader, universal development agenda. Another lesson is that virtually all cases of large-scale human development have been marked by high average rates of economic growth, sustained over a generation. The open global economy, entrenched in the multilateral trading system, has also played a multifaceted role as a driver of growth and source of ideas, technology, know-how and capital.

20. Ensuring the successful conclusion of the Doha Round or an early agreement on some of its components remains a high priority and would contribute to enhancing growth that is both equitable and inclusive. The Round's current stalemate may have a negative impact on the ability of the multilateral trading system to continue to shape globalization as a force for equitable and inclusive economic growth. Countries must collectively work towards bringing the Round to a successful and expeditious conclusion, or at the very least find common ground on some areas. The Ninth Ministerial Conference of the World Trade Organization to be held in Bali, Indonesia, in December 2013, presents the next opportunity.

21. A leading objective of the post-2015 development agenda must be to target countries that have been left on the margins. This would entail enhancing the international enabling environment for countries to achieve sustainable growth, including through increased and diversified trade and economic output.

22. The United Nations should play a larger and stronger role in addressing the challenges and managing the process of economic globalization. While economic globalization has grown rapidly, the establishment of an international regulatory system has not kept apace. There also remains a vacuum in global economic coordination and in global and regional mechanisms for managing globalization.

B. Social dimensions

23. The number of the world's poor living on less than $1.25 a day decreased from 1.9 billion in 1990 to 1.3 billion in 2008. Many developing countries have seen poverty decline, but in absolute terms the reduction has been overwhelmingly concentrated in China. In spite of decreasing poverty rates in sub-Saharan Africa, the absolute number of poor people increased in the region. At the same time, the majority of the world's poor people, or some three quarters, live in middle-income countries.

24. Conflict is the greatest obstacle to development. At least one fifth of humanity lives in countries experiencing violence, political conflict, insecurity and societal fragility. Many conflict-affected countries appear to be also mired in a trap of repeated cycles of conflict and violence. Countries that experienced violent conflict in the past have a high chance of experiencing a recurrence. About 40 per cent of countries coming out of violence relapse within 10 years, and 90 per cent of countries ravaged by civil war in the twenty-first century had also experienced a civil war in the preceding 30 years.[3] A broad approach to development will be required to integrate such countries into the global development framework. This is a key challenge for the post-2015 era.

25. The strong desire for increased political participation and enhanced economic opportunities has been heard loudest in the countries experiencing the Arab Spring. This reflects an increasing bottom-up demand for good governance across the world. Rising inequalities and struggles over scarce resources are among the drivers of conflict, insecurity and violence, which in turn hold back human development and efforts to achieve sustainable development. Inequalities — economic, political, cultural, gender and those related to security, justice and access to social services — can heighten group grievances and lead to conflict in diverse contexts.

26. Inequalities in access to land and other productive assets, as well as in social outcomes and service access, also remain widespread. In developing countries, inequalities in access to nutritious food, safe drinking water, improved sanitation, basic education and learning outcomes are much worse for low-income and rural families, while child death rates and stunting are two to four times higher between the lowest and highest wealth quintiles. Gender inequalities persist, as shown in wage earnings differentials, access to positions of decision-making and HIV infection rates. In too many contexts, equal access to justice and political participation is not guaranteed in practice.

27. With respect to inequalities between countries, a number of developing countries, mostly in Asia, have narrowed the gap in living standards vis-à-vis

[3] Paul Collier, *Wars, Guns, and Votes: Democracy in Dangerous Places* (New York, HarperCollins, 2009), and World Bank, *World Development Report 2011: Conflict, Security, and Development* (Washington, D.C., 2011).

developed countries. Yet others, especially some in Africa, have fallen further behind. Strong economic growth in many emerging economies and slower growth in Organization for Economic Cooperation and Development (OECD) countries have produced some convergence in living standards. Inequalities remain large, however, or have widened in other dimensions such as access to various social services. The divergence between least developed countries, landlocked developing countries and small island developing States and other developing countries has increased on average and is expected to grow further.[4]

28. Diverse population dynamics have the potential to further exacerbate inequalities, both within developing and developed countries, as well as globally. With approximately 214 million international migrants and an estimated 740 million internal migrants today, there are about 1 billion persons living outside their place of origin. Movements of people can be associated with multiple factors, including the search for better education and employment, or flight from poverty, conflict, hunger, inequalities, natural disasters and environmental degradation. Moreover, increased urbanization and changing demographics, such as rising population ageing in some countries and a youth bulge in others, will place additional stresses on national infrastructures and public finance, as well as health, caregiving and education systems.

29. Large inequalities also remain regarding access to information and communications technologies and social media. According to the 2012 International Telecommunication Union/Information and Communications Technology Indicator database, there continues to be a significant digital divide: while there were 2.3 billion Internet users globally at the end of 2011, only a quarter of the inhabitants in the developing world were online. The Internet and mobile communications technologies are important tools for development and are utilized in multiple sectors, including health and education. E-learning and telemedicine are becoming available to more people, and mobile technologies are empowering millions of women and youth.

30. Organized crime, human trafficking and drugs, and some aspects of cybercrime, are also becoming more globalized. Such crimes have internationalized at a faster pace than law enforcement and governance. Development must be based upon security participation and empowerment in order to succeed, bolstered by well-functioning institutions.

Implications for policymaking

31. The post-2015 United Nations development agenda should maintain the focus on eradicating poverty. Due consideration also needs to be given to the strong interlinkages between social development, economic development, environmental sustainability, and peace and security.

32. Additionally, placing the reduction of inequalities and their causes on the post-2015 compass would better align the post-2015 framework with the original concept of the Millennium Declaration and would hold Governments accountable for fostering inclusive development. Addressing structural and underlying causes of poverty and inequality would also imply measures for transformational change, such as placing greater emphasis on inclusive and equitable growth, the creation of decent work, and tools to assess, monitor and manage the impact of policies on economic,

[4] See www.un.org/en/development/desa/policy/untaskteam_undf/group_e.pdf.

social and cultural rights. For example, global mechanisms could be established to monitor the effects of a broad set of policies and strategies to reduce negative social impacts and enhance positive outcomes, thereby strengthening governance. It is no coincidence that the countries furthest behind on the Millennium Development Goals are often those where governance is weakest, including conflict and post-conflict countries, and where the rule of law is most difficult to apply.

33. Policies are needed to address the challenges and social impacts arising from migration, urbanization and demographic change. For example, global policies are needed that take into account that many migrants continue to work and live in insecure, precarious and dangerous conditions, often marginalized and subject to discrimination and without access to social and health-care services.

34. Accountability and transparency are key components of addressing inequalities. The use of information and communications technologies and social media may assist in raising public awareness about social development issues, empowering people with information to better monitor implementation and performance.

35. Science, technology and innovation have a cross-cutting role to play, including in bridging the digital divide. For the development framework after 2015, they can play a supporting role in advancing growth, environment, food security, health and a variety of other policies. The engagement of the private sector, civil society and other stakeholders in setting targets and in monitoring performance will be critical.

C. Environmental dimensions

36. Globally, the growth of population, income, energy and resources use, waste and pollution has come at the cost of environmental degradation and an unprecedented depletion of natural resources. Almost half of the Earth's forests are gone, groundwater sources and fish stocks are being rapidly depleted, and land degradation and ocean acidification are worsening. Biodiversity has been enormously reduced, and carbon dioxide emissions increased by 40 per cent between 1990 and 2008, to reach dangerous climate-destabilizing concentrations of close to 30 billion tons a year.[5]

37. Some 1.4 billion people lack access to modern energy services, hampering their ability to overcome poverty. The incidence of natural disasters, which destroy livelihoods and may wipe out years of infrastructure investment, has increased. Studies show that deforestation, soil erosion, degradation of natural coastlines and poor infrastructure have increased the likelihood that weather shocks will cause human disasters, especially for the poorest and most vulnerable in the least developed countries, landlocked developing countries and small island developing States.[5]

Implications for policymaking

38. Nowhere is the need for international cooperation more pressing than in environmental protection and addressing climate change. Damage to the environment respects no borders, and environmental policies cannot be fully effective in isolation. Investment on adaptation and mitigation are necessary to tackle the increased frequency and intensity of natural hazards associated with

[5] www.un.org/en/development/desa/policy/untaskteam_undf/untt_report.pdf.

climate change and to prevent natural disasters. Global coordination is necessary to enhance the effectiveness of national policies for environmental protection, greening the economy and addressing climate change. Coordination can also reduce the fear of a competitive disadvantage to those countries that move first or furthest to change their environmental policies or of the likelihood of "green" protectionism imposed against countries that have not yet done so.

39. Immediate priorities in preserving environmental sustainability include ensuring a stable climate, stopping ocean acidification, preventing land degradation and unsustainable water use, sustainably managing natural resources and protecting biodiversity and other natural resources.

40. Improved scientific understanding and knowledge-sharing are necessary for effective policymaking for sustainable development. The successful integration of sustainable development into public policy will require an improved and effective science-policy interface, where policymaking is informed by the findings of scientists, experts and academia.

41. Additionally, education for sustainable development provides the values, skills and knowledge needed to promote new attitudes towards the environment, including sustainable consumption and production patterns.

D. The challenge of achieving a balanced integration

42. The interconnectedness of the economic, social and environmental dimensions of sustainable development was reaffirmed at the United Nations Conference on Sustainable Development, which also emphasized the importance of achieving their balanced integration. In the context of globalization, major challenges in the pursuit of poverty eradication and sustainable development include securing adequate policy space for countries, ensuring clarity on the implications of available policy options and choices, and enhancing understanding of how to best coordinate policy actions to achieve a balanced integration across the three dimensions.

43. Achieving such a balanced integration requires effective policy coordination. For example, balancing the objectives of economic growth, job creation and natural resources use entails the promotion of inclusive and equitable growth and the effective use of natural resources to enhance investments that generate employment and generate growth in an environmentally sustainable manner.

44. At the global level, policy differentiation across different countries and areas can produce inconsistency and incoherence. Yet, at the same time, countries that are parties to numerous international agreements face more constraints on their ability to pursue independent policy actions. It appears paradoxical that the deeper countries insert themselves into the global economy through international trade and finance, the further they would diminish their policy options — particularly for developing countries that are newcomers to globalization. It would therefore be necessary to allow for an approach to policy coherence that takes into account different levels of development. This implies a need for flexibility to allow for specific national considerations and contexts.

45. Clarity on the implications of available policy options and an understanding of how to best coordinate policy actions to integrate the three dimensions of sustainable development require an improved science-policy interface, where

policymaking for sustainable development is informed by the findings of scientists and experts. This interface must occur through multilateral dialogue at the global and regional levels, and multi-stakeholder engagement at the national level.

46. One example of progress in the science-policy interface in the environmental field is evidenced by the link between scientific assessment bodies and policymaking organs, such as the Intergovernmental Platform on Biodiversity and Ecosystem Services. However, more needs to be done to strengthen research and science for sustainable development in its three dimensions and establish a systematic and effective science-policy interface.

III. Managing globalization through strengthened and effective multilateralism

47. The past two decades witnessed the intensification of global challenges as international decision-making on collective action has either been protracted or has run into stalemate. Lack of effective governance in resources use and consumption has resulted in the world growing in an unsustainable manner. Inequalities have been rising both within and among countries across the world. Growing vulnerabilities have meant an increased frequency of crises and of countries that remain in crisis and transition situations. These illustrate the changing demands for managing globalization.

Primacy of national development strategies

48. National governments have the central role and responsibility for national development. They decide on national targets, taxes, policies, plans and regulations that will translate the vision and goals of the future post-2015 development agenda into reality. They have a role in every sector and level — from negotiating international trade or environmental agreements to creating an enabling environment for business and setting environmental standards at home.

49. It is essential to ensure that national development strategies and action plans integrate the overarching principles established at the global level. They are also the vehicle for involving civil society, private philanthropic foundations, the private sector and local governments in the process of development. They can also address systemic issues related to globalization at the national level, such as monetary policy, financial regulation and persistent imbalances and inconsistencies among trading, financial and monetary policies.

50. Clear commitments are needed to ensure the integration of all dimensions of sustainable development in national strategies. While steps have been taken in that direction, much more widely shared efforts will be required to ensure effective implementation. With the post-2015 development agenda reinforcing the need to implement comprehensive national development strategies, the need to mobilize all parts of the United Nations system with capacities to support country development efforts has also become more urgent and compelling.

Multilateral responses

51. The distinct yet deeply interconnected challenges of globalization have generated increased demands for a more effective multilateral dialogue and

management of globalization to minimize its negative aspects while sharing its benefits more equitably. The outcomes of major United Nations summits and conferences, such as "The future we want", underscore the multidimensional and cross-sectoral nature of today's global issues.

52. Yet, the policies, rules and institutions established are mostly national, while global mechanisms are strongly compartmentalized. The multilateral trade, finance and environmental architectures, for instance, lack coherence across many dimensions. International institutions differ in constituencies and the distribution of voice and power among their respective memberships; democratic deficits exist in some of them, especially among the international financial institutions.

53. Prevailing gaps of international frameworks have spurred countries to seek regional solutions, including regional trade agreements, regional mechanisms of financial cooperation and informal arrangements on issues relating to migration. These arrangements are important in responding to region-specific development needs, but they require coordination to avoid policy fragmentation and incoherence with multilateral regimes and international standards.

54. The sharp increases in trade and capital flows make global economic institutions increasingly relevant for managing globalization. Gaps in the international trade, finance and technology regimes, however, have often reinforced rather than curbed global imbalances. For example, bilateral, regional and multilateral trade agreements may result in limiting the policy space for developing countries and pose hurdles to technology transfers, while financial market liberalization policies have increased their macroeconomic vulnerability without necessarily providing access to stable finance. Achieving a more enabling and inclusive system of global economic institutions will therefore be critical to overcoming these shortcomings and to assuring sustainable development.

55. Gaps in global frameworks also make further progress in social development more difficult. These include the absence of adequate mechanisms to regulate the movement of workers between countries, weak protection of the rights of migrants and their families, as well as restricted access to technologies in health, agriculture and other areas. Regulatory frameworks have also not kept pace with increasingly globalized crime, including drug trafficking, human trafficking, money-laundering, trafficking in firearms, counterfeit goods, wildlife and cultural property, and some aspects of cybercrime.

56. Environmental sustainability, the third dimension of sustainable development, is similarly characterized by weak global environmental institutions that remain fragmented. There have been some successes, such as the Brundtland Commission and the 1992 Earth Summit in Rio de Janeiro, Brazil, which spurred environmental awareness and action in specific areas, such as the Montreal Protocol on Substances that Deplete the Ozone Layer. The recent establishment of the High-level Political Forum and the United Nations Environment Assembly, resulting directly from the United Nations Conference on Sustainable Development Summit, harbour much promise for significant improvements in policy coherence and coordination of actions. However, some gaps remain and coherence across the three sustainable development dimensions must be further strengthened.

57. There are many intergovernmental frameworks and international organizations within which global issues are debated and policies formulated and implemented. In

many respects, however, these institutions tend to operate in "policy silos", and there exists no effective mechanism for ensuring the integration of their work across the development agenda and across institutional mandates — a major "structural gap". Moreover, many lack effective mechanisms to encourage or monitor compliance — an "implementation gap". In an interdependent world, more coherent, transparent and representative global institutions are critical for managing globalization and achieving sustainable development in all its dimensions.

58. Within the United Nations system, current multidimensional responses do not always fit well into the traditional specialized structures, which are often sector-focused, of the many entities that comprise the whole. Decision-making also often runs through vertical lines, rendering integration and coherence in programme delivery more difficult. This calls for enhanced coordination, cooperation, coherence and policymaking across the United Nations normative and operational work, discussed further in section V of the present report.

59. In addition, efforts should also continue to further enhance the representation of developing countries in multilateral institutions and other norm- and standard-setting bodies. Many developing countries remain marginalized from global decision-making processes, such as within the Bretton Woods institutions or the Group of 20, which therefore lack true representativeness and accountability. More engagement and coordination is also needed between the United Nations, country groupings like the Group of 20, regional institutions and other established multilateral institutions.

The global commons

60. The global commons represents a specific aspect of the global environmental dialogue. The global commons have been traditionally defined as global resources that fall outside national jurisdictions and to which all nations have access. International law identifies four global commons, namely the high seas, the atmosphere, Antarctica and outer space. Resources of interest or value to the welfare of the community of nations, such as tropical rainforests and biodiversity, have lately been included among the traditional set of global commons, while some define the global commons even more broadly, to include science, education, information and peace.

61. In the past, access to most of the resources found within the global commons has been difficult. Yet, the advancement of science and technology in recent years and the increased demand for resources are leading to an increase in activities such as bioprospecting, scientific research and the laying of submarine cables. At the same time, the planet is facing critical environmental challenges, most importantly stemming from climate change, the depletion of the ozone layer, and rapid environmental degradation in Antarctica. If "business as usual" prevails, these trends will likely worsen and will negatively impact the global commons' capacity to provide ecosystem services for human well-being.

62. An enhanced global dialogue, under the leadership of the United Nations, could ensure that the global commons will be preserved for future generations. To achieve coherence, three major aspects of the three dimensions of sustainable development — sustainable economic growth, social inclusion and protection of the environment, including the global commons — would need to be integrated at the global level.

IV. A renewed global partnership for addressing globalization challenges

63. The development landscape has been changing quickly and will continue to do so. A renewed global partnership for development should ensure that development cooperation strategies and programmes are flexible enough to respond to changes in partner countries. It must be based on the principles of solidarity, equality, national ownership and self-determination, mutual respect and global responsibility. A renewed global partnership for development must be an attractive tool for engagement of all partners and mobilize the political will necessary to support implementation of the post-2015 development agenda and ensure that globalization becomes a positive force for all.

64. At the turn of the century, the United Nations Millennium Declaration (General Assembly resolution 55/2) forged a global consensus on a shared vision for development. The internationally agreed development goals, known as the United Nations development agenda, summarized major commitments of the United Nations conferences and summits held since the 1990s on various aspects of development. The eight Millennium Development Goals are an integral part of this agenda.

65. Member States also resolved in the Declaration "to create an environment — at the national and global levels alike — which is conducive to development and to the elimination of poverty". As suggested in the "Road map towards the implementation of the United Nations Millennium Declaration" (A/56/326), Goal 8 on developing a global partnership for development includes indicators and targets related to aid, trade, debt relief and increased access to essential medicines and new technologies. In 2002, the Millennium Declaration was complemented in important ways by the Monterrey Consensus of the International Conference on Financing for Development and the Johannesburg Plan of Implementation adopted at the World Summit on Sustainable Development.

66. The internationally agreed development goals remain the guidepost for international development efforts. Yet, the international environment for pursuing them has changed dramatically since 2000, and not only in terms of the composition of development finance. As the global economy continues to recover from the economic and financial crisis, a multipolar development landscape is emerging. The private sector, philanthropic organizations, civil society and local governments are playing an increasing role in development cooperation. At the same time, the incidence of poverty remains widespread, inequalities are rising and sustainable development challenges have become even more pressing.

67. The early deliberations on a post-2015 United Nations development agenda have emphasized the need for an expanded and truly global agenda — for action by both developing and developed countries — with shared yet differentiated responsibilities for development actors, broadly defined. This would have implications for how the global partnership for development would need to evolve in order to provide effective support for the implementation of the future post-2015 development agenda.

68. Building on the current global partnership for development, a renewed partnership could galvanize political support to create an enabling environment for development, attract broad participation of different stakeholders and ensure systematic monitoring and accountability. It could serve as a vehicle to mobilize

financial and other resources to support implementation of the post-2015 development agenda, develop capacity and promote technology transfer and knowledge-sharing. It could also facilitate efforts to address systemic issues, foster greater policy coherence between aid and non-aid policies, focus attention on enablers of development cooperation and reduce inequalities.

A renewed global partnership in practice

69. To make globalization a positive force for all, multilateralism needs to be further strengthened, rather than diffused. This would involve the creation of a global enabling environment for engagement of all stakeholders. Legal and regulatory frameworks need to be in place to define the rules of engagement. Synergies between development partners at different levels and in different forums need to be further explored. Capacity-building of all sectors to work together should be established.

70. Despite intensified efforts to accelerate progress towards the Millennium Development Goals, official development assistance (ODA) declined for the third year in a row in 2012 and is increasingly dwarfed by other sources of finance. Progress on other commitments encapsulated in Millennium Development Goal 8 looks equally sombre. This needs to be addressed and reversed.

71. As new areas and actors emerge in the global partnerships, achieving coherence among the variety of actors has become increasingly challenging. Recent estimates suggest that there are now 126 bilateral OECD Development Assistance Committee (DAC) agencies, 23 non-DAC providers and 263 multilateral aid agencies. The proliferation of development cooperation actors and forms has led to increased development activities and aid-related transactions, making the monitoring and administration of development assistance more complex and costly, particularly for countries with limited administrative capacities. Since 2007, the average value of DAC ODA per project has registered a sharp decline. In parallel, the number of projects has steadily increased, leading to considerable administrative costs.

72. The present global partnership for development has also fallen short in terms of its ability to promote policy coherence between aid and non-aid policies and to address global systemic issues, particularly the coherence and consistency of the international, monetary, financial and trading systems in support of development, which are critical for the creation of an enabling international environment. To optimize the emergence of new actors and approaches, a renewed global partnership for development would need to place greater and more effective focus on both areas.

73. The success of a post-2015 United Nations development agenda will hinge upon its effective implementation. This will require the efficacious monitoring and accountability of the agenda as a whole; a renewed global partnership for development that would underpin the agenda; and global and country-level multi-stakeholder partnerships that would support implementation in specific areas or sectors.

V. Impiications for the role of the United Nations

74. The United Nations normative and operational work is also changing. Four features of the global environment are particularly relevant: the emergence of new

centres of economic dynamism, the intensification of global challenges, the transformation of the relationships among development partners, and the growth of new institutional actors. These changes need to be considered in the light of their likely impact on the United Nations and its role in guiding the responses to, and management of, globalization.

Emergence of new centres of economic dynamism

75. As discussed in section II above, a transformation has occurred with respect to the proportion of global growth attributable to middle-income countries. The implications for the United Nations are several. One is the need to promote and ensure greater policy space and autonomy for developing countries to define and implement their development policies and to share their results and experiences. The role and nature of ODA is also changing as a result of the different development experiences of middle-income countries. However, the existence of absolute poverty in middle-income countries suggests a continuing need for development assistance, with emphasis on United Nations deliverables, such as policy advice, targeting and support to national policy dialogue. At the same time, the least developed countries continue to rely on ODA and development assistance. Flows from all sources remain of vital importance. For them, and the increasing number of countries in crisis and transition situations, United Nations support remains essential.

Intensification of global challenges

76. The United Nations has a leadership role in fostering collective responses to today's complex global challenges. The future articulation of the post-2015 development agenda would effectively create a global framework within which to pursue and manage globalization. Growing interdependence requires all stakeholders to take up global responsibilities based on their capabilities. Responding effectively to the challenges of sustainable development requires greater support to the integration of sustainable development into development work. Redressing rising inequality also requires a rethinking and realignment of development assistance. The need to break down the policy silos within which development and humanitarian assistance, peacebuilding and human rights are pursued has important implications for the definition of functions, funding, staffing and, ultimately, the overarching governance arrangements of the United Nations development system.

Changing relationship among development partners

77. There is an increased role for civil society, foundations and the private sector in development efforts, and a need therefore to find additional ways to hold them accountable. With their multitude of approaches to supporting development, they often wish to engage selectively with an issues-based approach. Corporate social responsibility would need stronger monitoring with a code of conduct for private sector engagement. In this diverse environment, there is a need for genuine partnerships, building synergies and bringing out the complementarities among partners at all levels. This also puts a premium on a more dynamic and multi-stakeholder framework for development cooperation. A number of United Nations entities are being challenged to innovate ways to integrate new partners into their activities.

New institutional actors

78. The past decade has seen the emergence of a broad array of new institutional actors. These include new multilateral forums such as the Group of 20 and its recent rise to the summit level. There has also been a rapid growth of regional bodies and regional alliances. These bodies, such as the European Union, the Asia-Pacific Economic Cooperation, the Community of Latin American and Caribbean States (CELAC) and the African Union, have all become significant actors in a wide range of countries. The United Nations is now frequently consulting or partnering with those organizations. Such partnerships potentially enhance the competencies and extend the reach of the United Nations. A large number of dynamic networks have also emerged in recent years in areas such as food security, Energy for All and the Every Woman Every Child initiatives. Such institutional cooperation and networks have transformed the practice of partnership.

Strengthening the effectiveness of the United Nations

79. To make globalization a positive force for all, multilateralism needs to be further strengthened, rather than diffused. In order to enable a fully integrated consideration of United Nations mandates, it is important to move from ad hoc cooperation towards systematic and institutionalized interaction in support of the global development agenda beyond 2015 between the principal intergovernmental bodies, namely, the General Assembly, the Economic and Social Council and the Peacebuilding Commission. Joint agenda setting, sustained interactions, more frequent collaborative work and exchanges could achieve this.

80. In managing globalization, unified implementation and review will be critical for the successful integration of sustainable development into a unified global development framework. Thus, the efficient and effective functioning of the institutional framework for the review and follow-up work in the General Assembly and the Economic and Social Council, including the High-level Political Forum, will be imperative. This also includes the work of the related subsidiary bodies of the Economic and Social Council system.

81. For the United Nations to strengthen its effectiveness and enhance its relevance in the evolving development landscape, there is a need for a longer-term strategic repositioning of the United Nations development system. The implications for that development system would involve at least six different dimensions, namely, the alignment of functions, funding practices, capacity, partnerships, organizational arrangements and governance.

82. *Functions*. There is an emerging view of a need to develop an overarching strategy for a system-wide repositioning of United Nations funds, programmes and agencies in order to better align their functions with current global realities and emerging challenges and interdependencies. Strategic repositioning would also involve building on the strengths of individual entities, while at the same time reducing fragmentation and strengthening synergies and coherence.

83. *Funding*. Improving development funding would require a comprehensive review of the funding for operational activities for development, including the incentives it provides to United Nations entities. This would involve a comprehensive adjustment of resource flows to the United Nations development system. Such adjustments would include a delineation of the functions of individual

entities, a balancing of core and non-core funding, increased predictability, and more equitable burden-sharing among donor countries.

84. *Capacity*. There is need to further augment the capacity of the United Nations system to better assist Member States to respond to the challenges of globalization. This should be carried out in line with the broader context of a strategic reprioritization of development challenges within the United Nations. It should also take into account the changing needs of government institutions in programme countries, some of which may need varying types of capacity-building assistance.

85. *Partnerships*. Addressing coherently current and future complex globalization challenges requires a common vision, as well as a collective and concerted commitment and effort involving all actors. Partnerships have enabled the United Nations to become increasingly innovative in leveraging the skills and resources of civil society and the private sector towards achieving development goals, including the Millennium Development Goals. The United Nations Conference on Sustainable Development reaffirmed the need for full participation of civil society in a renewed commitment to sustainable development and ensuring the promotion of an economically, socially and environmentally sustainable future. The United Nations system needs to find innovative ways of developing and institutionalizing new partnerships with the private sector, civil society, foundations and regional organizations.

86. *Organizational arrangements*. To meet the demands of globalization, a strategic repositioning would involve an emphasis on complementarities, strengthening synergies among the entities of the United Nations development system through the strategic use of inter-agency task forces and other relevant options, fostering deeper integration. The system also needs to develop more flexible organizational procedures for deploying a critical mass of expertise and resources to priority issues.

87. *Governance*. The current governance of the United Nations development system has three major challenges to address. First, decision-making on operational activities runs through vertical lines, rendering difficult integration and coherence in programme delivery. These vertical structures are also unfavourable to the integration of the three dimensions of sustainable development. Second, governance arrangements are not reflective of the current realities of the increasing prevalence and importance of new actors and groups of countries. Consideration should be given to how the growing area of partnerships could be incorporated into the governance structures of the funds, programmes and agencies. Third, there is a continuing implementation gap between decisions adopted at the global level and actions taken on the ground. It is widely acknowledged that the United Nations needs to develop a framework that ensures effective accountability and monitoring to ensure that the implementation gap is bridged. The current discussions on the post-2015 development framework with poverty eradication and sustainable development at the core could provide an important opportunity.

VI. Conclusions

88. In order to manage globalization:

(a) The central challenge for the post-2015 United Nations development agenda is to ensure that globalization benefits everyone, facilitated by an inclusive

multilateral system. As the opportunities, challenges and risks of globalization are highly interdependent, a well-coordinated and effective multilateral approach is needed to manage globalization;

(b) The principles of the Millennium Declaration remain highly relevant to the management of globalization. They range from solidarity and non-interference to common but differentiated responsibilities and capabilities, and the right to development and greater distributive justice;

(c) Management of globalization must effectively and systematically capture the specific needs of the most vulnerable countries and peoples and ensure the continued centrality of those countries in the global development framework;

(d) Effective monitoring and accountability must be key features of the management of globalization. To secure compliance with commitments, various strands of accountability must interplay successfully. Statistical and other systems must be strengthened to support monitoring and to develop a robust baseline of information;

(e) With the increasing complexity of monitoring processes, collecting good and reliable data has become even more important. Monitoring and accountability have to rely on robust and high-quality data. This should be made available publicly, along with broad and inclusive information;

(f) The benefits of globalization need to be spread more widely and evenly. The prevalence of unaddressed inequalities — both within and between countries — prevents countries from making the development progress needed to address current and emerging challenges;

(g) Poverty remains a principal challenge. Facilitating inclusive economic growth and tackling global unemployment through the creation of decent jobs are key aspects of poverty eradication;

(h) Globalization should benefit those countries that are emerging from, or are affected by, conflict. Peace and security and human rights are critical for development and are a major component of it. Development, peace and security, and human rights are interlinked and mutually reinforcing;

(i) Global commitments must be translated into country-level commitments, with specific targets to which all partners can commit through inclusive participatory processes. National ownership should be fostered and development financing aligned with national priorities. Dialogues with all development stakeholders should be held in order to ensure that activities are related to national development strategies;

(j) Accountability should aim at delivering results for people at the country level. At the same time, it should be anchored in a global accountability framework. For accountability to be effective, it has to be tailored to country-level needs;

(k) The increased use of information and communications technologies and social media can enhance the sharing of knowledge and information, monitoring and accountability. Bridging the digital divide requires further progress and strengthening of efforts;

(l) Multiple accountabilities have to be ensured across all sectors and levels of actors and partnerships. Genuine partnerships should be built on a common understanding, transparency and accountability;

(m) Improvements in people's well-being should not be based on unsustainable patterns of production, consumption or resource use, which undermine development progress;

(n) The global commons provide a basis for interdependence, but increasingly globalization is becoming a driver of environmental degradation. This trend should be reversed so that globalization becomes another means to manage the global commons.

89. A renewed global partnership to address globalization challenges is needed:

(a) Renewing the global partnership for development is essential to successfully address globalization challenges. The partnership must enhance policy coherence for development to address poverty eradication and promote sustainable development and the post-2015 development agenda in the context of a rapidly changing globalized world;

(b) There is demand for a greater involvement of the private sector in spreading the benefits of globalization and for holding it accountable. A code of conduct would be needed for private sector engagement, as well as stronger monitoring of corporate social responsibility;

(c) Philanthropic foundations, with their ability to innovate and take risks and with greater flexibility and outcome-orientation, are complementing and scaling up development efforts. Many foundations are keen to engage in continued dialogue to improve understanding of their strengths and how they can contribute;

(d) A renewed global partnership for development should ensure that development cooperation strategies and programmes are flexible enough to respond to these changes and to changes in the global development landscape in partner countries;

(e) The international community is evolving from a traditional North-South understanding of global partnership. A renewed global partnership must be a universal and genuine partnership among equal partners, taking into account the principle of common but differentiated responsibilities. It must be based on the principles of solidarity, equality, national ownership and self-determination, mutual respect and global responsibility;

(f) A renewed global partnership for development must be an attractive tool for engagement of all partners and mobilize political will to support implementation of the post-2015 development agenda. The principle of universality implies that all actors take full responsibility according to their own capacities.

90. The implications for the role of the United Nations are:

(a) Multilateralism needs to be further strengthened, rather than diffused. Strong political will and leadership at all levels is essential for multilateral coordination and the effective management of globalization;

(b) The current global institutional development framework needs to become more responsive to rapid global changes and provide unified, multidimensional responses in order to better respond to and manage globalization. International institutional structures also need to evolve and adapt more quickly to the rapid changes in globalization and interdependence;

(c) For the United Nations to strengthen its effectiveness and enhance its relevance in the new development landscape, there is a need for longer-term strategic repositioning of the United Nations development system. This would involve rethinking, adjusting and strengthening such areas as functions, funding, capacity, partnerships, organizational arrangements and governance. The 2012 quadrennial comprehensive policy review of operational activities for development of the United Nations system can provide the strategic framework for such a reflective exercise;

(d) The success of a post-2015 United Nations development agenda will hinge upon its effective implementation. The United Nations has extensive knowledge on how the different elements of monitoring and accountability in international development cooperation may fit together. Efforts should be pursued to design and implement a coherent system within the Economic and Social Council to review progress by different partners in honouring commitments made under the post-2015 development agenda. Mutual review mechanisms are one option for putting mutual accountability into practice;

(e) The global dialogue on globalization and interdependence needs to be located in a global forum where all voices can be heard. The United Nations should continue to serve as a hub for candid and inclusive exchanges on issues relating to globalization and interdependence. It could also promote global accountability in the post-2015 era by monitoring the implementation of a universal development agenda and a renewed global partnership for development.